

**NATIONAL ASSOCIATION OF LOCAL COUNCILS ANNUAL CONFERENCE**

**SAVINGS & INVESTMENTS CLINIC**

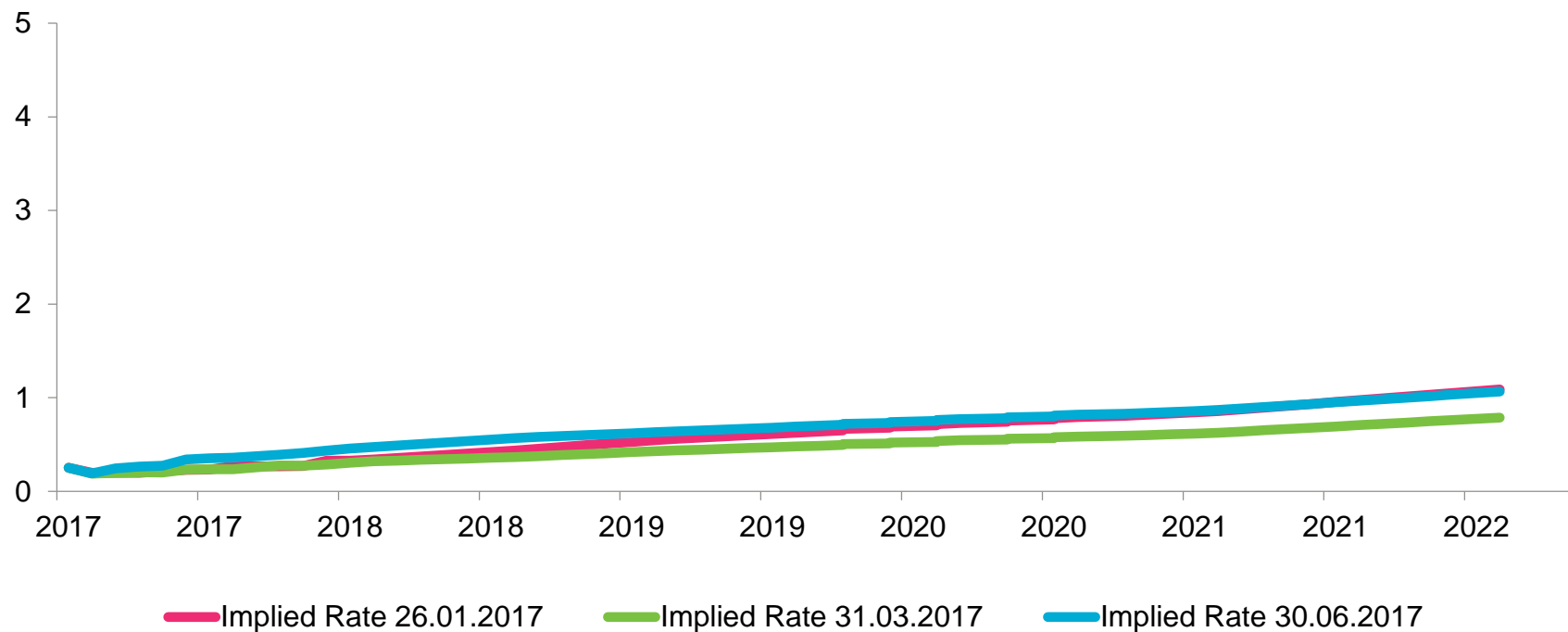
Mark Davies

30<sup>th</sup> October 2017

**CCLA**

- Continued growth expected but slow
- Higher inflation
- Interest rates remaining low/negative in real terms

### Changes in interest rate expectations



- Traditionally simple
- Dominated by High St banks/building societies – straightforward current/deposit account operation
- Lack of understanding/interest in the sector, though some specialist (Co-op, Unity, CAF)
- Icelandic crisis
- Flight to safety
- FSCS
- Bail-in regulations

- Expectations rising/Principal authorities' financial constraints, reducing manpower
- Service delivery
- Asset management
- Increasing precept/income
- No Government cap .... yet
- Prudent growth of reserves
- S106/CiL/developer's cash
- Dowries

- Income from savings
- Diversification – risk control
- Other products – term deposits, MMF's
- Modest increase in long-term investments witnessed
- Other asset classes – equities, property
- Use of funds

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